

RECORDATION NO. 18775-E  
MAY 9 - 1994 - 10 50 AM  
FILED 1425  
INTERSTATE COMMERCE COMMISSION

**SECURITY AGREEMENT SUPPLEMENT AND AMENDMENT NO. 2**

SECURITY AGREEMENT SUPPLEMENT AND AMENDMENT NO. 2, dated May 9, 1994, (the or this "*Supplement*") between Shawmut Bank Connecticut, National Association, not individually but solely as owner trustee (the "*Debtor*") under the Trust Agreement dated as of April 15, 1994, (the "*Trust Agreement*") for the benefit of BNY Capital Funding Corp., a New York corporation (the "*Owner Participant*"), and Wilmington Trust Company, as security trustee (the "*Security Trustee*") under the Security Agreement-Trust Deed dated as of April 15, 1994 from the Debtor to the Security Trustee (the "*Security Agreement*").

**WITNESSETH:**

**1. SECURITY AGREEMENT SUPPLEMENT:**

WHEREAS, the Security Agreement provides for the execution and delivery from time to time of Security Agreement Supplements substantially in the form hereof each of which shall particularly describe the Equipment (such term and other defined terms in the Security Agreement being herein used with the same meaning) included in the Collateral and subject to the security interest of the Security Agreement;

NOW, THEREFORE, TO SECURE THE PAYMENT when and as due and payable of the principal of and the premium, if any, and interest on the Notes, and to secure the payment of all other indebtedness which the Security Agreement by its terms secures and compliance with all the terms of the Security Agreement and of such Notes, the Debtor does hereby create and grant to the Security Trustee and to its successors and assigns a security interest in the following properties:

(a) all the Items of property and equipment described in Schedule A annexed hereto;

(b) all accessories, equipment, parts and appurtenances appertaining or attached to any Items of property and equipment described in said Schedule A, whether now owned or hereafter acquired, except such thereof as remain the property of the Lessee under the Lease, and all substitutions, renewals or replacements of and additions, improvements, accessions and accumulations to the Equipment, except such thereof as remain the property of the Lessee under the Lease; and

(c) all rents, issues, income, profits and proceeds arising from or in connection with any of the foregoing, subject always to the exceptions, reservations and limitations contained in the section entitled "EXCEPTED RIGHTS IN COLLATERAL" of the Security Agreement.

SAVING AND EXCEPTING, however, from the properties in which a security interest is hereby created and granted, all property saved and excepted from the coverage of the

granting clauses of the Security Agreement by the section entitled "EXCEPTED RIGHTS IN COLLATERAL" immediately following the granting clauses thereof.

THE DEBTOR hereby binds itself, its successors and assigns, to warrant and forever defend to the Security Trustee and its successors and assigns the security interest hereby created and granted.

## 2. SECURITY AGREEMENT AMENDMENT:

WHEREAS, the Debtor and the Security Trustee now desire to amend the Security Agreement to reflect reoptimization adjustments to Fixed Rent, Stipulated Loss Value and Termination Value under the Lease and to payments of principal of the Notes in accordance with Section 6.5 of the Security Agreement and the Security Trustee desires to consent to the execution and delivery of Lease Supplement No. 2, dated the date hereof;

NOW, THEREFORE, in consideration of the mutual agreements herein contained and other good and valuable consideration, the receipt whereof is hereby acknowledged, the Debtor and the Security Trustee hereby agree that Annex 2 to the Security Agreement is hereby amended and restated in its entirety to read as set forth in Schedule B attached hereto.

Each of the Debtor and the Security Trustee, by its execution and delivery hereof, consents and agrees to the execution and delivery of this Security Agreement Supplement No. 2 and the replacement of Schedule I to Note R-1 issued in connection with the First Closing Date. Schedule I to Note R-1 shall read in its entirety as set forth in Schedule C attached hereto.

The Security Trustee hereby consents to the execution and delivery of Lease Supplement No. 2, dated the date hereof.

## 3. MISCELLANEOUS:

This Supplement shall be construed as supplemental to the Security Agreement and shall form a part of it and the Security Agreement is hereby incorporated by reference herein and is hereby ratified, approved and confirmed.

This Supplement may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one and the same instrument.

This Supplement shall in all respects be governed by, and construed in accordance with, the laws of the State of New York, including all matters of construction, validity and performance.

IN WITNESS WHEREOF, the Debtor and the Security Trustee have caused this Supplement to be executed, as of the day and year first above written.

SHAWMUT BANK CONNECTICUT, NATIONAL  
ASSOCIATION, not individually but solely  
as Owner Trustee

By *P. L. Laurel*  
Its *Corporate Trust Officer*  
DEBTOR

WILMINGTON TRUST COMPANY, not in its  
individual capacity but solely as Security  
Trustee

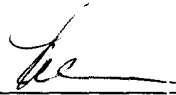
By \_\_\_\_\_  
Its Authorized Officer  
SECURITY TRUSTEE

IN WITNESS WHEREOF, the Debtor and the Security Trustee have caused this Supplement to be executed, as of the day and year first above written.

SHAWMUT BANK CONNECTICUT, NATIONAL  
ASSOCIATION, not individually but solely  
as Owner Trustee

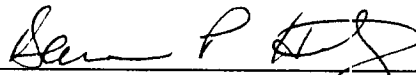
By \_\_\_\_\_  
Its  
DEBTOR

WILMINGTON TRUST COMPANY, not in its  
individual capacity but solely as Security  
Trustee

By  \_\_\_\_\_  
Its Authorized Officer  
SECURITY TRUSTEE

STATE OF CONNECTICUT )  
 ) SS  
COUNTY OF HARTFORD )

On this 14th day of May, 1994, before me personally appeared Pablo de la Canal,  
to me personally known, who being by me duly sworn, says that he is a Corp. Trust Officer  
of Shawmut Bank Connecticut, National Association, that said instrument was signed on  
behalf of said corporation by authority of its Board of Directors; and he acknowledged that  
the execution of the foregoing instrument was the free act and deed of said corporation.



Notary Public  
**DAWN P. HEINTZ**  
**NOTARY PUBLIC**  
MY COMMISSION EXPIRES MAY 31, 1997

(SEAL)

My commission expires \_\_\_\_\_

STATE OF \_\_\_\_\_ )  
 ) SS  
COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_\_ day of May, 1994, before me personally appeared, \_\_\_\_\_,  
to me personally known, who being by me duly sworn, says that he is a  
\_\_\_\_\_ of Wilmington Trust Company, that said instrument was signed and  
sealed on behalf of said corporation by authority of its Board of Directors, and he  
acknowledged that the execution and foregoing instrument was the free act and deed of said  
corporation.

\_\_\_\_\_  
Notary Public

(SEAL)

My commission expires: \_\_\_\_\_

STATE OF \_\_\_\_\_ )  
 ) SS  
COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_\_ day of May, 1994, before me personally appeared \_\_\_\_\_, to me personally known, who being by me duly sworn, says that he is a \_\_\_\_\_ of Shawmut Bank Connecticut, National Association, that said instrument was signed on behalf of said corporation by authority of its Board of Directors; and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

\_\_\_\_\_  
Notary Public

(SEAL)

My commission expires \_\_\_\_\_

STATE OF Delaware )  
 ) SS  
COUNTY OF New Castle )

On this 4 day of May, 1994, before me personally appeared, Patricia A. Evans, to me personally known, who being by me duly sworn, says that ~~she~~ is a Financial Services Officer of Wilmington Trust Company, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution and foregoing instrument was the free act and deed of said corporation.

*Sonja F. Allen*  
Notary Public

(SEAL)

My commission expires: \_\_\_\_\_

SONJA F. ALLEN  
NOTARY PUBLIC  
My Commission expires May 30, 1994

## **DESCRIPTION OF EQUIPMENT**

The 285 Rotary Dump Gondola  
Railcars Bearing the Following  
Road Numbers

### **REPORTING MARKS**

KCLX 91121 through  
KCLX 91125, inclusive

KCLX 394001 through  
KCLX 394125, inclusive

KCLX 794002

KCLX 794015 through  
KCLX 794016, inclusive

KCLX 794079

KCLX 794095

KCLX 794098

KCLX 794102 through  
KCLX 794250, inclusive

# AMORTIZATION SCHEDULE

(Payments required to Amortize \$6,814,556.04 Original Principal amount  
of 7.23% Secured Notes Issued by Debtor)

NUMBER OF INSTALLMENT	TOTAL INSTALLMENT PAYMENT	PORTION ALLOCATED TO PRINCIPAL	PORTION ALLOCATED TO INTEREST	PRINCIPAL BALANCE
1	204,741.06	0.00	204,741.06	6,814,556.04
2	246,346.20	0.00	246,346.20	6,814,556.04
3	471,595.77	225,249.57	246,346.20	6,589,306.47
4	238,203.43	0.00	238,203.43	6,589,306.47
5	416,116.31	177,912.88	238,203.43	6,411,393.59
6	231,771.88	0.00	231,771.88	6,411,393.59
7	422,975.66	191,203.78	231,771.88	6,220,189.80
8	224,859.86	0.00	224,859.86	6,220,189.80
9	429,767.56	204,907.70	224,859.86	6,015,282.10
10	217,452.45	0.00	217,452.45	6,015,282.10
11	437,051.13	219,598.68	217,452.45	5,795,683.42
12	209,513.96	0.00	209,513.96	5,795,683.42
13	444,856.85	235,342.89	209,513.96	5,560,340.53
14	201,006.31	0.00	201,006.31	5,560,340.53
15	453,222.21	252,215.89	201,006.31	5,308,124.64
16	191,888.70	0.00	191,888.70	5,308,124.64
17	462,187.32	270,298.61	191,888.70	5,037,826.02
18	182,117.41	0.00	182,117.41	5,037,826.02
19	421,794.87	239,677.46	182,117.41	4,798,148.56
20	401,838.52	228,385.45	173,453.07	4,569,763.11
21	165,196.94	0.00	165,196.94	4,569,763.11
22	501,467.98	336,271.05	165,196.94	4,233,492.06
23	153,040.74	0.00	153,040.74	4,233,492.06
24	466,680.02	313,639.29	153,040.74	3,919,852.78
25	141,702.68	0.00	141,702.68	3,919,852.78
26	623,476.35	481,773.67	141,702.68	3,438,079.10
27	124,286.56	0.00	124,286.56	3,438,079.10
28	593,682.11	469,395.55	124,286.56	2,968,683.56
29	107,317.91	0.00	107,317.91	2,968,683.56
30	711,268.75	603,950.84	107,317.91	2,364,732.72
31	85,485.09	0.00	85,485.09	2,364,732.72
32	734,318.45	648,833.36	85,485.09	1,715,899.36
33	62,029.76	0.00	62,029.76	1,715,899.36
34	759,081.08	697,051.32	62,029.76	1,018,848.04
35	36,831.36	0.00	36,831.36	1,018,848.04
36	785,683.95	748,852.59	36,831.36	269,995.45
37	9,760.33	0.00	9,760.33	269,995.45
38	279,755.78	269,995.45	9,760.33	0.00
TOTALS	12,850,373.30	6,814,556.04	6,035,817.26	

## SCHEDULE C

(to Security Agreement Supplement and Amendment No. 2)



# AMORTIZATION SCHEDULE

(Payments Required to Amortize \$1,000,000 Original Principal Amount  
of 7.23% Secured Notes Issued by Debtor)

NUMBER OF INSTALLMENT	TOTAL INSTALLMENT PAYMENT	PORTION ALLOCATED TO PRINCIPAL	PORTION ALLOCATED TO INTEREST	PRINCIPAL BALANCE
1	30,044.67	0.00	30,044.67	1,000,000.00
2	36,150.00	0.00	36,150.00	1,000,000.00
3	69,204.18	33,054.18	36,150.00	966,945.82
4	34,955.09	0.00	34,955.09	966,945.82
5	61,062.86	26,107.77	34,955.09	940,838.05
6	34,011.30	0.00	34,011.30	940,838.05
7	62,069.44	28,058.14	34,011.30	912,779.90
8	32,996.99	0.00	32,996.99	912,779.90
9	63,066.11	30,069.12	32,996.99	882,710.78
10	31,909.99	0.00	31,909.99	882,710.78
11	64,134.94	32,224.94	31,909.99	850,485.84
12	30,745.06	0.00	30,745.06	850,485.84
13	65,280.39	34,535.32	30,745.06	815,950.52
14	29,496.61	0.00	29,496.61	815,950.52
15	66,507.96	37,011.35	29,496.61	778,939.17
16	28,158.65	0.00	28,158.65	778,939.17
17	67,823.54	39,664.89	28,158.65	739,274.28
18	26,724.77	0.00	26,724.77	739,274.28
19	61,896.16	35,171.40	26,724.77	704,102.88
20	58,967.67	33,514.36	25,453.32	670,588.53
21	24,241.78	0.00	24,241.78	670,588.53
22	73,587.77	49,345.99	24,241.78	621,242.53
23	22,457.92	0.00	22,457.92	621,242.53
24	68,482.82	46,024.90	22,457.92	575,217.63
25	20,794.12	0.00	20,794.12	575,217.63
26	91,491.85	70,697.73	20,794.12	504,519.90
27	18,238.39	0.00	18,238.39	504,519.90
28	87,119.70	68,881.31	18,238.39	435,638.59
29	15,748.34	0.00	15,748.34	435,638.59
30	104,374.92	88,626.59	15,748.34	347,012.00
31	12,544.48	0.00	12,544.48	347,012.00
32	107,757.34	95,212.86	12,544.48	251,799.14
33	9,102.54	0.00	9,102.54	251,799.14
34	111,391.13	102,288.59	9,102.54	149,510.55
35	5,404.81	0.00	5,404.81	149,510.55
36	115,294.96	109,890.15	5,404.81	39,620.40
37	1,432.28	0.00	1,432.28	39,620.40
38	41,052.68	39,620.40	1,432.28	0.00
TOTALS	1,885,724.21	1,000,000.00	885,724.21	

## SCHEDULE B

(to Security Agreement Supplement and Amendment No. 2)